

16 MAY 1994

Supply

**RETAINING AND TRANSFERRING
MATERIEL**



COMPLIANCE WITH THIS PUBLICATION IS MANDATORY

NOTICE: This publication is available digitally on the SAF/AAD WWW site at: <http://afpubs.hq.af.mil>. If you lack access, contact your Publishing Distribution Office (PDO).

OPR: HQ USAF/LGSS (Ms Ruth A. Hill)
Supersedes AFR 67-97, 25 July 1991.

Certified by: HQ USAF/LGSS (Mr Allen Beckett)
Pages: 7
Distribution: F

This instruction implements AFPD 23-1, *Air Force Requirements and Stockage*, and AFPD 23-5, *Reusing and Disposing of Materiel*. It provides guidance for retaining and transferring secondary and equipment items at the wholesale and retail levels. For wholesale procedures, see AFMAN 23-110, *USAF Supply Policy* (formerly 67-1, volume III, part one, chapter 9). For retail procedures, see AFMAN 23-110 (formerly AFM 67-1, volume II, part two). **Attachment 1** provides a glossary for terms used in this instructions.

SUMMARY OF REVISIONS

This is the first publication of AFI 23-501, substantially revising AFR 67-97, 25 July 1991. It condenses and simplifies guidance for keeping secondary and equipment items and gives new guidance for transferring them.

1. Responsibilities:

- 1.1. The Air Force Stockage Policy Group, under the direction of HQ USAF/LG, reviews DoD policies and objectives and develops Air Force materiel policy.
- 1.2. HQ Air Force Materiel Command (AFMC/LG):
 - Develops Air Force retention and transfer instructions.
 - Ensures that Air Force personnel properly incorporate Air Force retention and transfer policies and procedures in the data systems.
- 1.3. Air Logistics Center (ALC) commanders make sure that inventory managers comply with retention and transfer guidance when directing retention, transfer, or disposal of materiel under their control.
- 1.4. The Standard Systems Center (SSC):

- Writes retail procedures in AFMAN 23-110 (formerly AFM 67-1, volume II, part two.)
- Ensures that the Standard Base Supply System (SBSS) properly implements Air Force retention and transfer policies and procedures and produces the required reports.

2. Retaining Items. Personnel must retain principal and secondary items in the Air Force inventory as long as needed. Retention rules ensure that they use Government property properly and don't purchase unnecessary new items.

2.1. Wholesale Managers:

- Retain centrally procured serviceable and economically repairable assets used on active DoD weapon systems and end items for the projected life of the weapon system (currently established at 37 years).
- May retain stocks for up to 1 year after removing end items from service, with written approval from the ALC Commander or up to 2 years with written approval from the Director of Logistics, AFMC.
- Retain serviceable assets up to the authorized Foreign Military Sales Order I (FMSO I) stock level to support projected Cooperative Logistics Supply Support Arrangement (CLSSA) program requisitions.
- Retain all serviceable local purchase (LP), local manufacture (LM), and ND numbered (one-time buy) assets for active DoD weapons systems and end items for 30 months after the last demand.
- Retain ample assets for DoD weapons systems or end items to support modified or phased out items through the modification program or phase-out period.
- Retain serviceable assets peculiar to weapons systems or end items used solely by FMS customers pending completion of a buy-out program. Keep these items no longer than 2 years from the date the Air Force makes a buy-out offer to FMS customers.
- Consider shelf life, storage space limitations, weapons system essentiality, population, and projected life when deciding what to keep.

2.2. Retail Managers:

2.2.1. For serviceable items used to support a weapon system or end item in use at your activity, retain:

- Centrally procured investment items (ERRC code XD) until the wholesale inventory manager gives disposition instructions.
- Centrally procured field-level repairable items (ERRC code XF) for 30 months after the last demand.
- Economic order quantity items (ERRC code XB) for 30 to 39 months after the last demand or 24 months after the new item record is established.
- LP, LM, or non-national stock numbered items for 12 months.
- Equipment authorization inventory data (EAID) items and specified non-EAID items (AS016) for as long as authorized and required to perform assigned missions.
- Serviceable non-EAID (retail outlet) equipment items for 30 to 39 months after the last demand.

2.2.2. For unserviceable items used to support a weapons system or end item in use at your activity, retain ICP reportable assets until receiving disposition instructions from the wholesale manager.

2.2.3. For items on systems or end items no longer in use at your activity or for which you can find no item record in the SBSS or requirement, report the items to the wholesale inventory manager and transfer assets to the ICP, other users, or disposal, as directed by the wholesale inventory manager. *EXCEPTION:* If no wholesale manager oversees the stock, the retail manager offers assets to other known retail users before transferring them for disposal.

2.2.4. You may transfer assets for disposal or to the wholesale supply point before the required retention period expires if they exceed shelf life or storage space limits. Consult with the Chief of Supply to deviate from retention policy when storage space is a problem. Obtain authorization from the wholesale manager before returning assets to the wholesale stock point.

3. Stratifying Assets. ALCs stratify principal and secondary items to show assets against materiel requirements for:

- Approved acquisition objective (AAO) stock.
- Economic retention stock (ERS).
- Contingency retention stock (CRS).
- Potential reutilization (PR) stock.

3.1. ALCs retain wholesale assets up to the total allowable AAO, ERS, and CRS levels for the projected life of the weapons system or end item.

3.2. Retail activities retain secondary items for weapon systems and end items used at their activities up to the total allowable AAO and ERS levels.

4. Transferring Materiel:

4.1. Transfer excess Air Force assets to DoD activities using interservice supply support procedures (ISSP) to reduce DoD procurement.

4.2. Make sure wholesale managers conduct ISSP interrogations for:

- Asset availability.
- Offers of excess.
- Asset transfers.

4.2.1. Wholesale managers must conduct ISSP interrogations whether the Air Force serves as the primary inventory control activity (PICA) or secondary inventory control activity (SICA).

4.2.2. Wholesale managers offer PR stocks to other wholesale managers (PICA or SICA) far enough in advance to allow time for a response before disposal time-frames elapse. Managers must not delay disposal actions because of impending ISSP responses.

4.2.3. Wholesale managers who transfer assets within the AAO are reimbursed. Managers who transfer assets in excess of the AAO aren't reimbursed.

4.3. Transfers to allied forces must comply with DoD 5105.38-M, *Security Assistance Management Manual*, October 1988, and this instruction.

4.4. Transfers of nonexcess property to agencies outside DoD are reimbursed according to DoD 7220.9-M, chapter 26., *Department of Defense Accounting Manual*, October 1983.

4.5. Transfers of DoD excess assets to agencies outside DoD must comply with DoD 4160.21-M., *Defense Reutilization and Marketing Manual*, with Change 1, March 1990.

4.6. The Air Force Cryptologic Support Center's (AFCSC) Cryptologic Depot (AFCD) manages cryptologic materiel on the wholesale level. See National Security Agency/Central Security Service (NSA/CSS) for regulations governing transfers of certain cryptological materiel, including communications security materiel.

5. Redistributing Materiel:

5.1. Redistribute retail assets to ensure that personnel use Air Force materiel with as little waste as possible.

5.2. Report retail assets above the base requisitioning objective (RO) to the *Defense Program for Redistribution of Assets* (DEPRA).

5.3. For investment and critical items, the Recoverable Assembly Management Process (RAMP) reports serviceable assets above the RO to DEPRA and the wholesale manager for redistribution.

5.4. The MICAP Asset Sourcing System (MASS) redistributes serviceable assets to fill Priority 01-03 mission capability (MICAP) or awaiting parts (AWP) requirements.

5.5. Report serviceable assets above the retention level (RO plus 2 years) to the wholesale manager through the DoD Materiel Returns Program.

5.6. Wholesale managers give disposition instructions for reclamation assets in the Aerospace Maintenance and Regeneration Center (AMARC) storage account.

6. Reporting FMS Excess Materiel Returns (FEMR). Eligible countries report FMS excess assets according to materiel returns procedures in AFMAN 23-110 (formerly AFM 67-1, volume III, part one, chapter 9.)

7. Reimbursing for Packing, Crating, Handling, and Transportation (PCH&T):

7.1. The DoD shipper pays PCH&T for transfers within DoD including reutilization and reclamation transfers and materiel returns.

7.2. Foreign government and non-DoD customers or consignees pay PCH&T.

7.3. See DoD 7220.9-M, chapter 26, for guidelines on PCH&T for nonappropriated fund property

JOHN M. NOWAK, Lt Gen, USAF
DCS/Logistics

Attachment 1

GLOSSARY OF TERMS

Terms

Approved Acquisition Objective (AAO)—The quantity of an item authorized for peacetime and wartime requirements to equip and sustain United States and Allied Forces in accordance with current DoD policies and plans. This quantity must be sufficient to support other US Government agencies, according to DoD requirements.

Contingency Retention Stock (CRS)—A quantity of stock, greater than the AAO and economic retention stock, retained for specific contingencies. CRS contains stock with no predictable demand or quantifiable requirement. When not stored in CRS, this stock is allocated as Potential Reutilization Stock.

Cooperative Logistics Supply Support Arrangement (CLSSA)—Military logistics support arrangements made during peacetime for responsive and continuous supply support at the depot level for US-made military materiel owned by foreign countries and international organizations. The CLSSA is normally the most effective means for providing common repair parts and secondary item support for equipment of US origin which is in allied and friendly country inventories. (DoD 5105.38-M)

DoD Excess Materiel—Materiel unnecessary for the discharge of DoD responsibilities. To determine excess materiel, personnel must complete utilization screening among DoD components, according to policies and procedures prescribed by DoD 4160.21-M.

Economic Retention Stock (ERS)—A quantity of stock, greater than the AAO, retained to fill future peacetime requirements more economically than could be done through newly purchased items or repair. To warrant economic retention, an item must have a reasonably predictable demand rate..

End Item—A final combination of end products, component parts, or materials assembled and ready for use. End items include, but are not limited to:

- Ships.
- Tanks.
- Mobile machine shops.
- Aircraft.

Foreign Military Sales (FMS)—Sales of military equipment from the United States to foreign countries or international organizations as authorized by the *Foreign Assistance Act of 1961*, as amended, and the *Arms Export Control Act of 1976*, as amended. This military assistance differs from the Military Assistance Program and the International Military Education and Training Program in that the foreign recipient pays for the defense articles and services transferred.

Integrated Materiel Manager (IMM)—A DoD activity or agency with wholesale integrated materiel management responsibility for the DoD and participating Federal agencies. Integrated materiel management responsibilities include:

- Cataloging.
- Determining requirements.
- Purchasing.

- Distributing.
- Overhauling.
- Repairing and disposing of materiel.

The terms Integrated Materiel Manager (IMM), Inventory Control Point (ICP), and Materiel Manager are synonymous.

Inventory Control Point(ICP)—An organizational unit or activity within a DoD supply system with primary responsibility for managing a group of materiel items either for a particular Service or for the DoD as a whole. ICPs control materiel inventory by managing:

- Cataloging.
- Requirements computations.
- Purchasing.
- Distributing.
- Disposal of unnecessary items.

Potential Reutilization (PR)—Component materiel that has potential for reutilization. Item managers may send this materiel to the Defense Reutilization and Marketing Service for possible reutilization by another component or by a Federal, state, or local governmental agency or for disposal through sale to the public.

Primary Inventory Control Activity (PICA)—An organization or activity with the primary responsibility for managing an item.

Principal Items—End items and replacement assemblies that require centralized individual item management throughout the supply system, including items stocked at the depot, base, and using-unit levels. Central inventory control for these items includes centralized computation of requirements, central procurement, central direction of distribution, and central knowledge and control of all assets owned by the Services. Military Services select principal items on the basis of:

- Their essential value in combat or training.
- Their high monetary value.
- Difficulties in purchasing or producing them.
- The value of their basic materials or components.

Requisitioning Objective (RO)—The maximum quantities of materiel maintained on-hand and on-order to sustain current operations and core war reserves. ROs take into account:

- The total stocks represented on the operating level.
- War reserve requirements.
- Safety levels.
- Repair cycles.
- Order and shipping times.

Retail Stock—Stock held in the custody or on the records of a supply organization below the wholesale level.

Retention Limit—The maximum quantity of on-hand materiel that may be retained in stock, according

to applicable retention rules.

Secondary Inventory Control Activity (SICA)—An organization or activity with secondary responsibility for managing an item. The SICA is the service focal point for managing:

- Support problems.
- Residual technical functions
- Assistance to the PICA.

Secondary Items—Consumable and repairable items other than principal items.

Stratification, Inventory—The process of cataloging inventory in the military supply system so that personnel can assess quantities, monetary values, and amounts held for different purposes. Stock is stratified into categories such as:

- Peacetime support stocks.
- Readiness retention stocks.
- Other approved retention levels (such as AAO, ERS, CRS, and PR).

US-Approved Forces—Forces specified in the Future Years Defense Program (FYDP) and, for Navy assignments, in the Coast Guard.

Wholesale Stock—Assets, regardless of funding sources, managed by the inventory management specialist at the ICP level. This individual has asset knowledge and exercises unrestricted asset control to meet worldwide inventory management responsibilities.